

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS**

<b>In re:</b>  <b>LINC USA GP, <i>et al.</i></b> <sup>1</sup>  <b>Debtors.</b>	) ) ) ) )	<b>Chapter 11</b>  <b>Case No. 16-32689 (DRJ)</b>  <b>(Jointly Administered)</b>
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**NOTICE OF MODIFICATION TO BIDDING PROCEDURES**

PLEASE TAKE NOTICE that on June 20, 2016, the above-captioned debtors and debtors in possession (the “Debtors”) filed with the Bankruptcy Court their Motion for (a) Entry of an Order (i) Approving Bidding Procedures, (ii) Scheduling Bidding Deadline, Auction Date and Sale Hearing Date, (iii) Approving Form and Notice Thereof; (b) Entry of an Order After the Sale Hearing (i) Authorizing the Debtors to Sell Their Assets, and (ii) Authorizing the Debtors to Assume and Assign Certain Executory Contracts and Unexpired Leases; and (c) Granting Related Relief (the “Sale Motion”).<sup>2</sup>

PLEASE TAKE FURTHER NOTICE that, on July 12, 2016, the Bankruptcy Court entered the order approving the Motion (Dkt. No. 205, the “Bid Procedures Order”), which among other things, establishes bidding procedures (the “Bidding Procedures”) that govern the manner in which certain assets of the Debtors are to be sold. The Bidding Procedures provide, among other things, that:

The Debtors, in consultation with the Committee, DIP Lenders and Prepetition Lenders, may make any modifications to the Bidding Procedures, including the Bid requirements described immediately below, as necessary to accommodate a Piecemeal Bid they determine is in the best interests of the estates.

(Bidding Procedures ¶ 5), and

The Debtors reserve their rights, in the exercise of their fiduciary obligations in consultation with the Committee, and, with the consent of the DIP Lenders and Prepetition Lenders (not to be unreasonably withheld), to modify these Bidding Procedures or impose at, or prior to, the Auction, additional customary terms and conditions on the Sale of the Assets, including, without limitation, extending the deadlines set forth in the Auction procedures, modifying bidding increments, adjourning the Auction at the Auction and/or adjourning the Sale Hearing in open court without further notice, withdrawing from the Auction the Assets at any time

<sup>1</sup> The Debtors in these chapter cases, along with the last four digits of each Debtor’s federal tax identification number, are: Linc Energy Finance (USA), Inc. (6684); Linc USA GP (5234); Linc Energy Resources, Inc. (9613); Linc Gulf Coast Petroleum, Inc. (6790); Linc Energy Petroleum (Louisiana), LLC (1074); Linc Alaska Resources, LLC (2362); Paen Insula Holdings, LLC (1681); Linc Energy Petroleum (Wyoming), Inc. (9859); Diasu Holdings, LLC (9626); Diasu Oil & Gas Company, Inc. (8926); and Linc Energy Operations, Inc. (5806).

<sup>2</sup> Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Sale Motion.

prior to or during the Auction or canceling the Auction in the Debtors' business judgment.

(Bidding Procedures ¶ 12).

PLEASE TAKE FURTHER NOTICE that in consultation and agreement with the Committee, DIP Lenders and Prepetition Lenders, the Debtors have made various modifications to the Bidding Procedures, and such modifications include, but are not limited to the following:

- The Purchase Price for a Piecemeal Bid for the Gulf Coast Assets must meet or exceed \$25,000,000.

PLEASE TAKE FURTHER NOTICE that the Debtors are working with parties who have submitted bids to clarify those bids and address deficiencies prior to the Sale Hearing. The Debtors reserve the right, in consultation with the Committee, DIP Lenders and Prepetition Lenders to make any other modifications to the Bidding Procedures, in accordance with the Bid Procedures Order and Bidding Procedures paragraphs 5 and 12 restated above and the Debtors are not required to provide notice of such modifications beyond notice to the parties directly affected.

PLEASE TAKE FURTHER NOTICE that the Debtors will conduct an auction (the "Auction") starting at 10:00 a.m. (prevailing Central Time) on August 23, 2016 (the "Auction Date"), at the law offices of Bracewell LLP, 711 Louisiana Street, Suite 2300, Houston, Texas 77002. Only parties that have submitted a Qualifying Bid in accordance with the Bidding Procedures, as modified hereby, will be permitted to participate in and/or make any statements on the record at the Auction.

PLEASE TAKE FURTHER NOTICE that at 2:00 p.m. (Prevailing Central Time) on August 31, 2016, or as soon thereafter as counsel may be heard (the "Sale Hearing"), the Debtors shall appear before the Bankruptcy Court and seek entry of an order:

- a. authorizing the sale of the Assets by the Debtors to the Successful Bidder at the Auction;
- b. authorizing the assumption and assignment of certain executory Contracts and unexpired Leases; and
- c. granting certain related relief.

PLEASE TAKE FURTHER NOTICE that objections, if any, to the sale of the Assets or the other relief requested in the Sale Motion must: (a) be set forth in writing describing the basis therefor; (b) comply with the Federal Rules of Bankruptcy Procedure and the Local Bankruptcy Rules; and be filed with the Bankruptcy Court electronically so as to be received no later than 4:00 p.m. (Prevailing Central Time) on August 26, 2016 (the "Sale Objection Deadline").

PLEASE TAKE FURTHER NOTICE that the failure of any person or entity to file an objection before the Sale Objection Deadline shall be deemed a consent to the sale of the Assets

to the Successful Bidder and the other relief requested in the Sale Motion, and be a bar to the assertion, at the Sale Hearing or thereafter, of any objection to the Sale Motion, the Auction, the sale of the Assets free and clear of any liens, claims and encumbrances, the Debtors' consummation and performance of the applicable purchase and sale agreement with the Successful Bidder, and the assumption and assignment of the Assigned Contracts, if authorized by the Bankruptcy Court.

PLEASE TAKE FURTHER NOTICE that additional information regarding the Sale, including copies of the Sale Motion, the Stalking Horse APA, the Bidding Procedures and the Bid Procedures Order, is available at [kccllc.net/linc](http://kccllc.net/linc) or by contacting:

Parkman Whaling LLC  
Attn: Bruce E. Campbell  
600 Travis Street, Suite 600  
Houston, TX 77002  
Telephone: (713) 333-8400  
Email: [bcampbell@parkmanwhaling.com](mailto:bcampbell@parkmanwhaling.com).

Respectfully Submitted,

**BRACEWELL LLP**

By: /s/ Jason G. Cohen

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**COUNSEL FOR THE DEBTORS AND  
DEBTORS IN POSSESSION**

**CERTIFICATE OF SERVICE**

I hereby certify that on August 19, 2016, a true and correct copy of the foregoing was served (i) electronically on the parties registered to receive notice through the court's ECF noticing system; and (ii) via electronic mail on all parties in interest that have executed confidentiality agreements to enter the virtual data room related to the sale of substantially all of the Debtors' assets.

/s/ Jason G. Cohen

Jason G. Cohen